
NEWS

• RELEASE •

FOR IMMEDIATE RELEASE
Wednesday 24 January 2007

ADELAIDE RESOURCES ANNOUNCES MAIDEN URANIUM

EXPLORATION DRILL PROGRAMS FOR SOUTH AUSTRALIA

An intensive uranium exploration drilling program announced today and to commence in South Australia next month has cemented Adelaide Resources Limited's change of focus to a committed uranium and mineral sands explorer.

The 4,000 metre basement campaign will be fully funded by Adelaide Resources on two of its wholly owned projects and will be the highly experienced mineral explorer's maiden drilling program in the Australian uranium sector.

Combined with recent joint venture commitments on other Adelaide Resources' uranium projects in the area, it will involve the Company in more than \$1 million worth of uranium exploration at the northern end of South Australia's Eyre Peninsula in 2007.

The combined commitments represent one of the more intensive drilling forays to date for uranium in South Australia's heated minerals exploration environment.

Any successful outcomes from the uranium drive will be in parallel to the Company's involvement in exploring and potentially developing the world-class Tripitaka zircon project in joint venture with Iluka Resources Limited.

Tripitaka is located within the Eucla Basin area of South Australia further to the west of the uranium targets which are the focus of today's announcement.

Adelaide Resources said today the new 2007 uranium drilling campaign, which is likely to be further expanded after the first assault – will comprise:

- A 2,000 metre Rotary Air Blast program to test a radiometric anomaly associated with a large gravity anomaly at the KO11 South prospect, 30 kilometres east of Wudinna.
- A similar basement drill program at Ethiopia, 45 kilometres northwest of Cowell. Anomalously high concentrations of uranium and thorium discovered at the prospect last year included soil samples of up to 36 ppm uranium.
- A 70-hole rotary mud drilling program funded by JV partner, Quasar Resources Pty Ltd, in cover sediments containing palaeochannels within the Northern Eyre Peninsula.

issued through

FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311

231 South Road, MILE END SA 5031

Ph: 08 8234 9555 Fax: 08 8234 9566

admin@fieldpr.com.au

“Today’s announcement further cements our focus on uranium and zircon as the pacesetters for the Company’s immediate future,” Adelaide Resources’ Executive Chairman, Mr Keith Yates, said today.

“Our commitment to uranium will see the majority of our exploration drilling activity this year directed to this commodity – a reflection of where we see uranium’s potential within our forward programs,” Mr Yates said.

“It will be a natural balance to our ongoing strong commitment to work with our JV partner to evaluate Tripitaka as a potential commercial zircon-rich mineral sands mine as soon as possible – with project economic scoping studies now underway.

“Our decision to prioritise both uranium and mineral sands, while retaining an interest in our iron ore, copper and gold plays, offers the greatest near-term opportunity to unlock further value for shareholders.”

Results from the joint venture cover sediment drilling program will be assessed using a Prompt Fission Neutron (PFN) probe able to determine the precise uranium content inside a drill hole. Quasar, through its affiliation with Beverley uranium mine operator, Heathgate Resources, is one of only two companies in Australia to have access to such advanced technology.

Heathgate is itself an affiliate of San Diego-based private company, General Atomics, a world leader in various nuclear technologies.

“The association with an experienced uranium miner and successful explorer underpins our uranium expansion strategy,” Mr Yates said.

“This upside is supported by the strength of our own management team and the integrity of our uranium assets across Eyre Peninsula,” he said.

“In the past two years, the strong rise in global uranium exploration has been driven by higher demand and significant rises in the oxide price. South Australia’s geology is favourable to the occurrence of world-class uranium deposits. By virtue of our substantial tenement holdings, Adelaide Resources has secured geological settings prospective for a range of uranium mineralisation styles.

“This reinforces the value of now escalating uranium exploration within our broader exploration objectives.”

MEDIA CONTACT:

Keith Yates Adelaide Resources (08) 8271 0600 / 0417 801 479
Kevin Skinner Field Public Relations (08) 8234 9555 / 0414 822 631